GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Energy, Infrastructure & Investment Department - Development of Greenfield airport at Bhogapuram in Vizianagaram District - An SPV named Bhogapuram International Airport Company Limited (BIACL) for speedy implementation of Bhogapuram Aerotropolis project formed- Further Orders – Issued.

ENERGY, INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.RT.No. 7 **Dated: 13-01-2016**

Read the following:

1. G.O.Rt.No.63, I&I (Airports) Dept., Dated:20.05.2015
2. Lr.No.62/BIACL/2016-1, Dated:08.01.2016 received from the MD, BIACL.

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ORDER:

In the G.O. 1st read above, orders were issued for formation of an SPV named Bhogapuram International Airport Company Limited (BIACL) under Companies Act 2013, which shall be 100% owned by Government of Andhra Pradesh, for speedy implementation of Bhogapuram Aerotropolis Project comprising International Airport, Maintenance, Repair and Overhaul (MRO) facility and an Aviation Academy.

2. In the letter 2nd read above, the MD, BIACL has brought to the notice of the Government that there is a mention in the G.O 1st read above about divesting majority stake to successful bidder/consortium for project implementation and Government to retain minority stake on completion of bidding process and this provision requires clarity about ownership of land acquired by the Government for development of a green field airport at Bhogapuram and at other airport project sites and requested the Government to issue necessary clarification in the matter.

3. In view of the position reported by the MD, BIACL, in continuation of the orders issued in G.O 1st read above, the following further orders are issued.

4. The ownership of land acquired for developing greenfield airport at Bhogapuram and other places will rest with the government alone and the BIACL/private developer will not have any right over the land except lease/ leave and license rights during the Concession Period. The land shall be utilized by the concessionaire for the purposes permitted under Concession Agreement. The concessionaire shall pay the lease rentals during the Concession Period and the assets created on the land would revert to the government at the end of the Concession Period. The ownership of the land acquired by the Government for the airport projects lies with the Government during the entire Concession Period and thereafter.

5. The MD, BIACL shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
SECRETARY TO GOVERNMENT

To
The Managing Director,
Bhogapuram International Airport Corporation Limited, Hyderabad.
The all the Directors of the Board,
The Accountant General, Andhra Pradesh, Hyderabad.

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Copy to:
The Principal Secretary to Chief Minister,
The Finance Department,
The Law Department,
PS to Secretary to Government, I&I Department.

//Forwarded :: By Order//

SECTION OFFICER